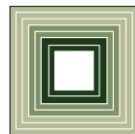


North Carolina Housing Finance Agency

Overview

Joint Appropriations Subcommittee on General Government

March 12, 2013



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Outline

- Provide a broad overview of the Agency and budget
- Highlight relevant Session Law's impacting fiscal matters
- Highlight key issues that may require Legislative attention
- Housing Finance Agency will present program detail

Housing Finance Agency

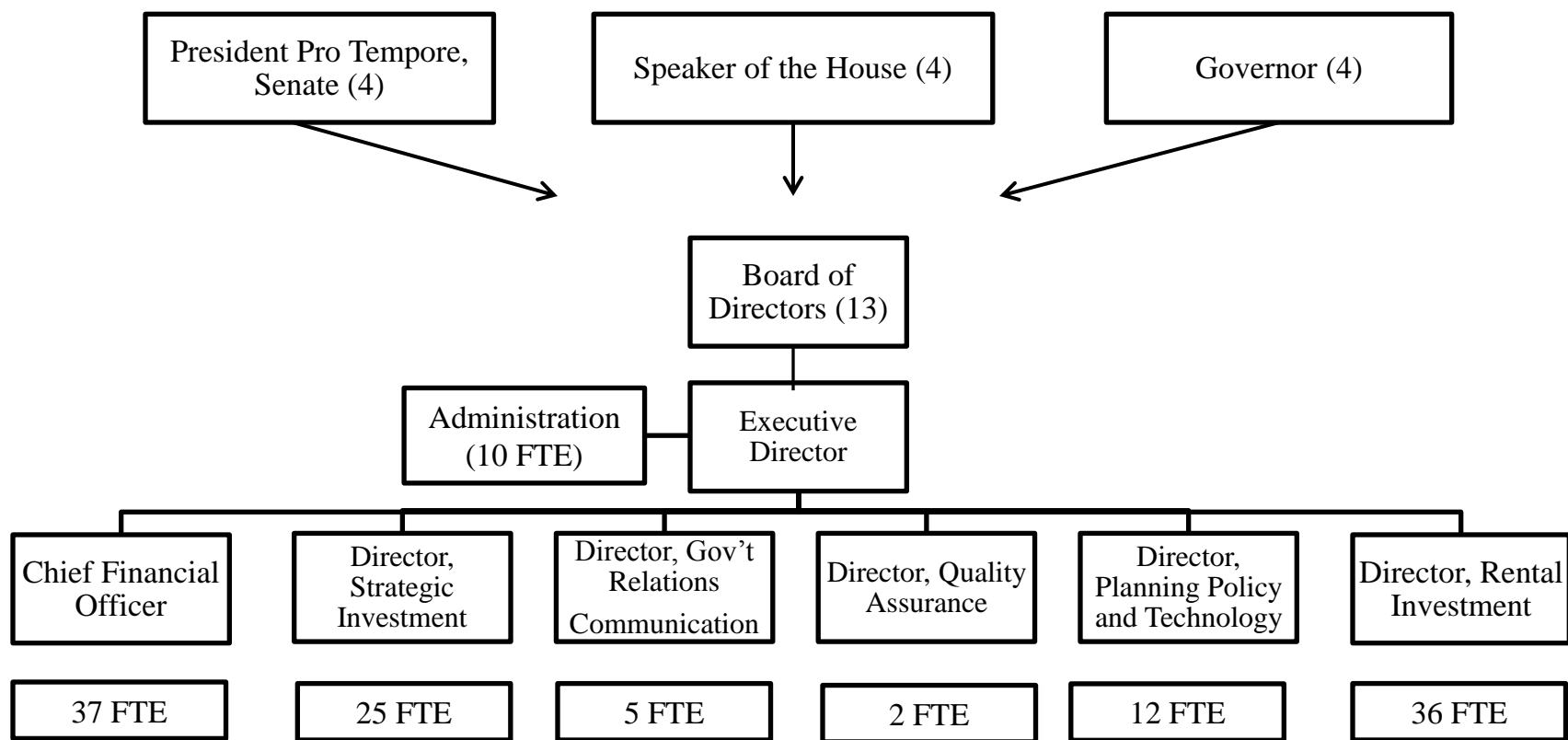
Statutory Authorization:

- G.S. 122A, 122E (Housing Trust Fund),
Article 11 of G.S. 45, 157.9-2 (Mortgage
Loans)

Mission:

- To create affordable housing opportunities for
North Carolinians whose needs are not met by
the market

Housing Finance Agency



Housing Finance Agency

Fiscal Year	2010-11	2011-12	2012-13	2013-14	2014-15
Appropriation	Actual	Actual	Certified	Recommended Continuation	Recommended Continuation
Home Match	\$1,608,417	\$1,608,417	\$1,608,417	\$1,608,417	\$1,608,417
Housing Trust Fund	\$9,576,205	\$7,876,785	\$0	\$7,876,785	\$7,876,785
Home Protection Pilot	\$500,000	\$187,897	\$0	\$0	\$0
Total	\$11,684,622	\$9,673,099	\$1,608,417	\$9,485,202	\$9,485,202

The following table reflects General Fund appropriations only. Agency receives other funding which will be discussed later.

FY 2011-12 Administrative Costs: \$21,327,636

2013 Total Position Count: 127 FTE

Housing Finance Agency

- Quasi-public and Quasi-private entity
- General Assembly makes appropriations to fund specific programs
- General Assembly appropriations do not support operating costs

Housing Finance Agency

Programs Under Management Center Around:

- Homeownership Programs
- Supportive Housing
- Homeowner Rehabilitation
- Urgent Repair
- Foreclosure Prevention Loans
- Foreclosure Prevention Counseling
- Rental Assistance

Housing Finance Agency

Entity*	FY 2012
State Program Cost	\$59,632,780
Federal Program Cost	\$274,541,636
Total	\$334,174,416

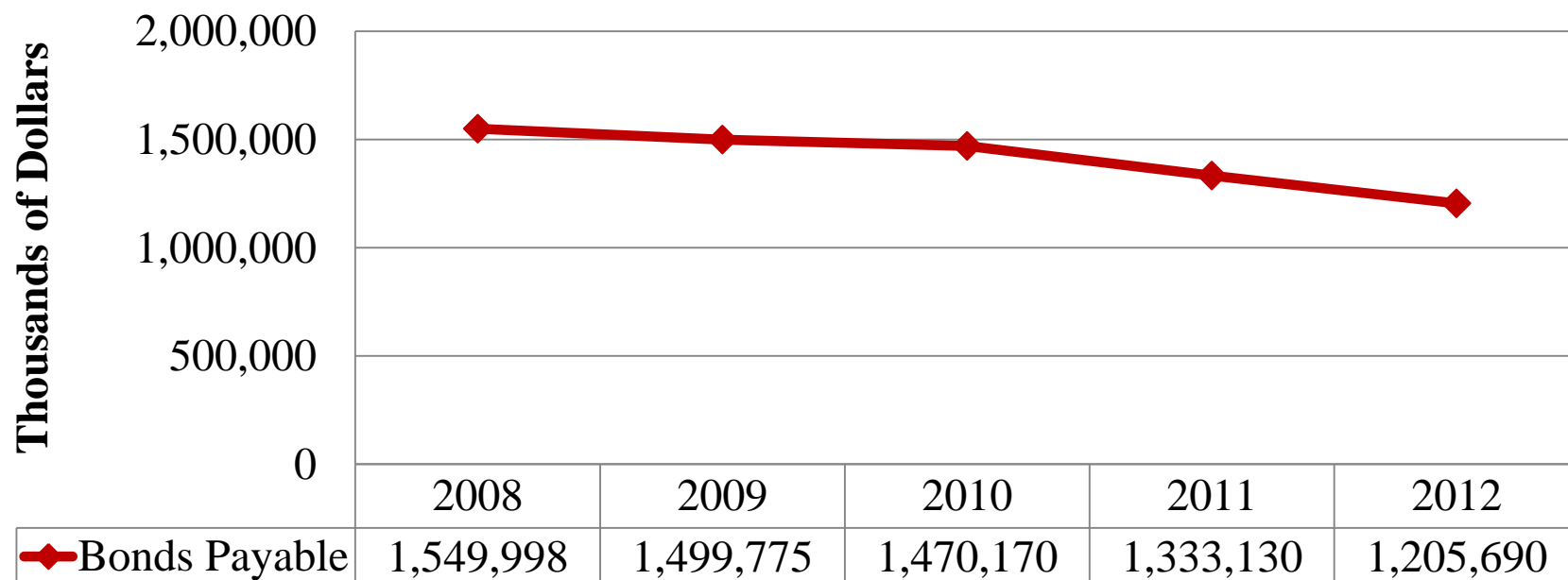
- The North Carolina Housing Finance Agency oversees expenditures far greater than what is reported in the State's Accounting system for reasons specific to the mission of the organization and related to the programs overseen
- Programs administered include:
 - *Federal:* Section 8 Housing Programs, U.S. Treasury Hardest Hit Program, and Other Housing and Economic Development Programs, Federal Housing Tax Credit
 - *State:* Housing Trust Fund, Home Protection, Foreclosure Mitigation, DHHS Key Program, State Housing Tax Credit

*Obtained from the NCHFA Audited Financial Statements for FY 2011-12, Schedule of Expenditures of Federal Awards and Reports – FY 2011-12, and North Carolina Accounting System

Housing Finance Agency

G.S. 157.9-2 and G.S. 122A grant the NCHFA with the authority to issue mortgage backed bonds, subject to the approval of the N.C. Local Government Commission

Bonds Payable (Thousands of Dollars)



Mortgage Backed Bonds – Not a Debt of the State

Housing Finance Agency

- Reductions in FY 2012 and FY 2013:
 - NCHFA's participation in the U.S. Treasury's Hardest Hit Program allowed for reductions in the Home Protection Pilot Program (\$182.5 million as of Dec. 2012 and 9,880 families assisted)
- Housing Trust Fund – FY 2013
 - General Assembly directed NCHFA to utilize National Mortgage Settlement funds to offset non-recurring reduction (\$30.6 million in funds)

Housing Finance Agency

Recent Session Laws and Studies Impacting the Agency

- Transferred Home Foreclosure Program from Commission of Banks to the Housing Finance Agency (S.L. 2011-288)
 - Program funded from fee from servicer (\$75) for homes under foreclosure
 - Unspent monies revert to Housing Trust Fund (\$2.7 million for FY 2012)
- Blue Ribbon Select Commission on Transitions to Community Living
 - Recommendation to use existing or new funds to the Housing Trust Fund for permanent and/or temporary housing
 - Recommendation to use existing programs, and study the potential for new programs, for tenant based rental assistance

Housing Finance Agency



Housing Finance Agency to Follow with Increased Program Detail

Mark Bondo

Fiscal Research Division

919-733-4910 or markb@ncleg.net